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SUBJECT: RUSSIA RESPONSE ON EXTENSION OF RER AGREEMENT

REF: STATE 2980

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1. (SBU) SUMMARY: On February 13, representatives of the MFA, Rosatom, and Russia's Federal Biomedical Agency (FMBA) told Embassy EST and DOE representatives that Russia is willing to sign an extension of the Agreement on Cooperation in Research on Radiation Effects (RER). However, most of the amendments proposed by the U.S. side are unacceptable -- specifically, those dealing with import and export privileges, site access, and data access -- as the proposed language is too sweeping, and the issues of site access and data access are already covered under previously negotiated agreements and Russian regulations. The only possible exception is the proposed text on taxation. If state tax authorities concur with the proposed text on taxation, it can remain. Based on the categorical reaction, we believe the Russian side will not accept most of the proposed text. FMBA officials expressed satisfaction with the current practice of resolving implementation issues during meetings of the two sides. END SUMMARY.

2. (SBU) Per reftel, on February 13, EST Counselor, Acting Head of DOE Moscow Office, EST Health Officer and EST Health Specialist met with First Secretary Aleksey Ivanov of the MFA North America Department; Mikhail Kiselev, FMBA Deputy Director; Yevgeniy Goloborodko of FMBA's Department of Research Organization; and Sergey Mikheyenko of Rosatom to discuss the proposed extension of the Agreement on Cooperation in Research on Radiation Effects (RER). Kiselev expressed the Russian position that the agreement should be extended. He noted, however, that the text proposed by the U.S. side drastically differs from the draft extension protocol forwarded by the Russian side to DOE (Pat Worthington) on December 11, 2008, and that most of the additions are a total surprise to him.

TAXATION: WILL CONSIDER, BUT DON'T EXPECT QUICK REPLY  
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3. (SBU) On the issue of taxation (article VIII, point 1), Kiselev promised to seek clarification from tax authorities on which taxes could be exempted. He warned us not to expect a reply for at least one month. He also advised that the response may depend upon whether the agreement covers technical assistance or cooperation. Kiselev said that he understood that the reason for the proposed amendment was that the RER agreement is no longer implemented through a tax-exempt third-party implementing organization. Ivanov, the MFA representative, seemed surprised that such language was included as a draft amendment, querying whether the U.S. will be inserting more such specific language in agreements. We indicated that if assistance taxation is not clarified, it is quite likely that the U.S. will seek explicit language on tax exemption of assistance-funded projects.

IMPORT-EXPORT ON DEMAND: "INAPPROPRIATE"  
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14. (SBU) On the issue of import of materials and supplies (article VIII, point 2), Kiselev protested that the wording of the proposed paragraph is inappropriate because it is too broad. He commented that the words "any materials or supplies" could refer to radioactive waste or materials used to commit terrorist acts. He said that import and export of goods must be in accordance with Russian law, and that this point must be removed.

#### SITE AND DATA ACCESS: ALREADY COVERED ELSEWHERE

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15. (SBU) On the issue of site access (article IX, point 1), Kiselev indicated that this point is superfluous and inappropriate. Access must be granted not "upon request" as the proposed language stipulates, but in accordance with established Russian procedure. Access requests to closed cities that are under Rosatom purview must be submitted three to four months in advance of a proposed visit, and visits to closed facilities like Mayak are virtually impossible.

In the case of research associated with agreement implementation, Kiselev noted that at the Sixth Joint Coordinating Committee meeting in October 2008, the United States and Russia signed a joint recommendation on planning and organization of visits to Russia's secure territories, for which special permission is required for visits by foreigners. The recommendation specifies that Rosatom will develop separate guidelines delineating detailed procedures for visits of U.S. personnel. Kiselev recommended that U.S. scientists work with their Russian counterparts at the South Urals Institute of Biophysics or the Urals Research Institute of Radiation Medicine in Chelyabinsk, and that there is no need to access Mayak itself.

16. (SBU) Kiselev said that the proposed text on data access (article IX, point 2.a) is redundant. He reminded us that this issue is regulated by a separate Data Access Agreement, which was concluded at the Joint Coordinating Committee Meeting in 2000 within the framework of the RER Agreement.

#### TISSUE SAMPLES: SOFTEN LANGUAGE

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17. (SBU) Kiselev commented that while Point 2.b on transport of human tissue samples may be a legitimate point for discussion, it is not acceptable to the Russian side as written. He emphasized that the Russian facility used to store tissue samples was built with Russian government funds, not financed under the RER agreement, and thus the tissue samples are indisputably Russian property. He advised that for purposes of renewing the agreement at present, the issue should be covered with more general language, such as: "The sides are working on issues of possible transfer of biological materials." He said that the GOR Ministry of Health and Social Development is developing regulations to govern export of biological samples, but that export procedures are not yet outlined.

#### YEARS OF PRODUCTIVE WORK; US SHOULD WITHDRAW AMENDMENTS

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18. (SBU) Kiselev summed up the Russian position by recommending that, in the interest of expediency, the U.S. side withdraw all proposed amendments. He also advised that the Emergency Situations Ministry (Emercom) will no longer be the implementing agency of the agreement, as it does not have active projects, but will continue participating in the agreement. This change was reflected in the draft extension protocol provided by the Russian side in December 2008. Kiselev characterized the work performed under agreement during the past 14 years as very useful and productive and proudly noted that it had resulted in 155 publications in leading scientific journals. He noted that even if the agreement were suspended, the Russian side would continue the research with its own funding. He also mentioned that Russia is already working with the Europeans on similar projects.

#### COMMENT

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19. (SBU) Comment: Kiselev made it clear that, with the possible exception of the point of taxation, the Russian government will not accept the proposed amendments as currently worded. FMBA believes the agreement works well in its current form, and that no significant change is necessary. It appears that we have little

leverage with which to force the issue. If there are specific aspects of the agreement that from the U.S. perspective have not functioned well in practice, it may be more effective to raise those specific issues with the Russian side and suggest specific alternate language.

BEYRLE